

To: Scott Durkee, Massachusetts Department of Environmental Resources
From: Keith Freischlag, Unital/Fitchburg Gas & Electric
CC:
Date: July 16, 2002
Re: Unital/FG&E RCS Marketing

I. OVERVIEW

Unitil/FG&E has developed a plan to effectively market the statewide Resource Conservation Service Program to its Fitchburg Gas & Electric customers. Marketing will be comprised of a direct mailer, a DTE mandated bill insert, customer newsletter inserts and a customer phone survey.

Marketing will focus on promoting the new RCS program rebate levels of 50% up to \$1000 for recommended energy efficiency upgrades. Unitil/FG&E marketing material will also promote the Nexus Home Analyzer as a customer self qualification audit tool. All RCS program marketing materials will promote the RCS program in accordance the MA Utility Coalition Action Plan.

II. SCHEDULE

- | | |
|-------------------------|--|
| • DTE Bill Inserts | 50% customers targeted for August mailing
50% customers targeted for September mailing |
| • Direct Mailer | High use customer targeted for September mailing |
| • Customer Newsletter | June 2002 and October 2002 |
| • Customer Phone Survey | Targeted to provide quality assurance for customers who participated in program, but did not accept RCS products and services. |

III. TOOLS

- Nexus Home Energy Analyzer
 - Currently available on www.unitil.com
 - Customers may request CD's from Unitil's customer call center
 - Statewide #800 will be updated to offer the Nexus self qualification audit to FG&E customers interested in participating in the RCS program

December 27, 2002

Mr. Scott Durkee
RCS Program Director
Division of Energy Resources
70 Franklin St. 7th Floor
Boston, MA 02110-1313

RE: RCS Customer Self Qualification Audit Tool

Dear Mr. Durkee:

The following information is provided in regards to a Resource Conservation Service (RCS) program metric requesting that sponsors develop a customer self qualification audit tool. The purpose of this audit tool is to educate customers on the benefits of energy efficiency products and services, to identify customer needs and to pre-qualify customers to receive RCS Tier 2 services. The RCS metric requests that the customer self qualification audit tool be provided as part of the sponsors Tier 1 service package. Unitil/Fitchburg Gas and Electric (FG&E) has satisfied the requirements of this metric.

FG&E is contracted with Nexus Energy to offer our customers the Home Energy Analyzer, a web based home energy audit tool. FG&E leveraged this existing tool to provide this Tier 1 service to RCS customers at no additional costs to the company or its customers. The Home Energy Analyzer tool allows users to compare home energy use with similar homes, understand how energy is used in the home and to identify a path to reduce energy bills. The real benefit of this tool is to help customers understand the benefits of energy efficiency and to encourage them to participate in energy efficiency programs.

The Home Energy Analyzer is made available to all FG&E customers through our website at www.Unitil.com. Customers inquiring about RCS program were provided information about the Home Energy Analyzer through Tier 1 program contractors, Unitil's customer service center, customer newsletters and other program marketing materials. Over the time period July 1, 2002 to December 31, 2002, about 320 Unitil customers participated in the Home Energy Analyzer tool.

Due to software limitations, Unitil was not able to track the number or percentage of RCS customers utilizing the Home Energy Analyzer tool. Also, the number of customers participating in this self audit tool that actually took advantage of RCS tier 2 program services was not tracked. Unitil did not consider investing in additional web based tracking software a cost effective exercise, particularly as this tool was in a pilot stage.

Unitil recognized a 20% gain in energy savings related to EEI installed measures. While it is difficult to attribute this savings to the Home Energy Analyzer, we are certain that this tool was a contributing factor.

FG&E intends to continue the use of this Home Energy Analyzer as a Tier 1 service to customers participating in the statewide RCS program. We believe that leveraging products and services between programs is both responsible and cost effective. Moving forward, FG&E intends to require RCS Tier 1 contractor(s) to improve the process of tracking all RCS customers referred to the Home Energy Analyzer. FG&E intends to include CD's of the Home Energy Analyzer or other similar self audit tools as a Tier 1 service.

FG&E does not consider a self audit tool to be an effective replacement for the home energy audit. The self audit tool is however, a helpful customer educational tool. FG&E suggests that RCS program improvements may be best obtained through increased competition and the creation of a RCS trade ally effort. FG&E has been proactive in bringing a new RCS vendor into the program and will work with local contractors to promote and market the RCS program.

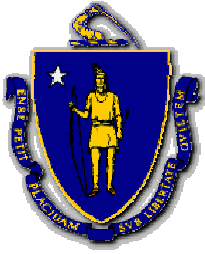
Please let me know if you'd like additional graphic copies of the Home Energy Analyzer tool. I can be reached at (603)773-6458 with any additional questions or concerns regarding this service. FG&E intends to continue the process of referring RCS customers to this web based tool whenever appropriate. We are convinced that the Home Energy Analyzer tool serves as a valuable resource to all customers interested in our energy efficiency programs.

Sincerely,

Keith Freischlag
Residential Energy Efficiency

2002 RCS EEI Analysis

Fitchburg Electric	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Audits	11	7	2	2	13	1	2	3	10	21	21	1	94
EEI Count	1	0	1	0	0	0	0	1	0	3	5	2	13
EEI %	9.1%	0.0%	50.0%	0.0%	0.0%	0.0%	0.0%	33.3%	0.0%	14.3%	23.8%	200.0%	13.8%
Metric Rank	Threshold	Below Metric	Exemplary	Below Metric	Below Metric	Below Metric	Below Metric	Exemplary	Below Metric	Exemplary	Exemplary	Exemplary	Exemplary
EEI Dollars	\$241	\$0	\$309	\$0	\$0	\$0	\$0	\$498	\$0	\$873	\$2,536	\$1,125	\$5,580
Avg \$\$ per EEI	\$241	\$0	\$309	\$0	\$0	\$0	\$0	\$498	\$0	\$291	\$507	\$563	\$429
Avg \$\$ per Audit	\$22	\$0	\$154	\$0	\$0	\$0	\$0	\$166	\$0	\$42	\$121	\$1,125	\$59
Customer Dollars	\$564	\$0	\$673	\$0	\$0	\$0	\$0	\$547	\$0	\$960	\$3,093	\$1,213	\$7,050
Avg \$\$ per Customer w EEI	\$564	\$0	\$673	\$0	\$0	\$0	\$0	\$547	\$0	\$320	\$619	\$606	\$542
Avg \$\$ per Audit	\$51	\$0	\$337	\$0	\$0	\$0	\$0	\$182	\$0	\$46	\$147	\$1,213	\$75
EEI Measure Categories													
Thermal	0	0	0	0	0	0	0	0	0	1	1	1	3
Appliance	1	0	1	0	0	0	0	1	0	2	4	1	10
Fixture	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1	0	1	0	0	0	0	1	0	3	5	2	13



Docket D.T.E. 03-26, Exhibit D.T.E. 1-7a
Residential 2002
Residential Conservation Services 3

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Memorandum

To: Electric Investor-owned Residential Conservation Service Program Administrators
From: Lawrence O. Masland, RCS Program Director
Date: December 13, 2002
RE: Postponement of 2002 Performance Metric - RCS 3

In 2002 the program administrators (PAs) for investor-owned electric companies agreed to include three performance metrics for the Residential Conservation Service (RCS) program in their updated plan. To achieve design level for RCS 3 (Develop a plan to move RCS products and services toward a competitive market), the PAs had to write a memo identifying program changes that would increase competition. This memo would also recommend a process to implement those changes. To the extent possible the electric program administrators were to include investor-owned gas companies in the preparation of this memo.

To achieve exemplary performance for this metric, the PAs would have to write a detailed action plan. The action plan represented a commitment to implement the action plan according to its timeline.

In order to provide guidance in the preparation of the memo, DOER committed to write a memo that would describe the characteristics of a competitive RCS program. DOER was unable to provide its memo in a timely manner and reached an agreement that PAs could assign proportionally the incentive dollars associated with the RCS 3 metric to other RCS metrics. The PAs also agreed to include the RCS 3 metric in their 2003 plan.

DOER memorialized this performance metric in its CY 2003 RCS goals letter. The goals letter states:

Create a Competitive Market for Energy Efficiency and Renewable Energy Services and Products

Program Administrators shall write a memorandum describing program changes to increase competition and the process to implement those changes. The memorandum will include a detailed action plan that they agree to implement according to a timeline. As a prelude to the program administrators' memorandum, DOER will write a memorandum that will provide guidance for the program administrators.

The goal is that program administrators would complete their competitive market memorandum and detail action plan within six months of receiving DOER's memorandum.